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SEP 21 1995

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Policies and Rules Concerning) CC Docket No. 94-129
Unauthorized Changes of Consumers')
Long Distance Carriers)

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REPLY OF SOUTHWESTERN BELL TELEPHONE COMPANY

Southwestern Bell Telephone Company (SWBT) replies to the several Petitions for Reconsideration, Comments and Oppositions filed herein.

I. VERIFICATION OF CUSTOMER-INITIATED CHANGES

MCI, Sprint and CompTel, in their Comments/Oppositions, continue to urge the Commission to reconsider its requirement to apply verification procedures set forth in Section 64.1100 of the Rules to PIC changes resulting from customer-initiated calls.¹ These parties claim customer initiated changes do not constitute a significant source of "slamming" complaints.

While this may be true, SWBT has no way to distinguish a customer-initiated (in-bound) change the carrier submits to SWBT from a change the carrier initiated through its telemarketing efforts. Therefore, if the customer alleges a dispute, SWBT expects to receive a Letter of Authorization (LOA) from any Interexchange Carrier (IC) who does not participate in SWBT's PIC

¹ MCI, p. 2; Sprint, p. 1; CompTel, p. 3.

Switchback option.² Contrary to some parties' allegations, customers who took the initiative to contact a carrier would be receptive to receiving, signing and returning an LOA if the carrier would explain the purpose of the LOA -- a precaution to unauthorized switching.³ If the IC does not obtain and provide an LOA as evidence of the change, then SWBT has no option but to assess appropriate charges against the IC. If the Commission Rules do not require verification and LOAs on customer initiated changes with the IC, the IC must bear the risk of absorbing appropriate charges in the event of a dispute. This should not pose a great risk to the ICs, since the carriers believe there is no problem with customer-initiated changes.

II. CONTRACTS

SWBT is concerned about comments of Sprint, CompTel and MCI, in agreement with Frontier, regarding contracts between carriers and their customers. The Commission's LOA rules do not address inclusion of language that obligates an end user to stay with a carrier for a fixed period of time. Contracts generally contain such an obligation. If LECs are to accept the contract in lieu of an LOA, LECs should not be responsible for enforcing

² The PIC Switchback option is a tariffed service that does not require investigation of the dispute or the provision of the LOA by the carrier. The carrier who initiated the disputed PIC change will be billed the same PIC change charge(s) credited to the customer's account. Carriers who have chosen not to participate in the PIC Switchback option continue to operate under standard PIC dispute procedures which include investigation of the dispute once the LOA has been received by SWBT.

³ Airtouch, p. 3.

additional contractual obligations such as fixed periods of time. The dispute resulting from a customer electing to change the PIC during the term of a contract should be resolved between the customer and the IC. If the Commission determines a contract could be provided in lieu of an LOA, SWBT would propose a contract only be treated as an LOA for the first PIC change and not considered valid for subsequent changes. Further, the contract should contain language that adheres to the Commission's LOA requirements. To treat a contract any differently would require LECs to enforce an agreement to which they are not a party.

III. REPORTING OF SLAMMING

SWBT takes exception to MCI's allegations of "inaccurate, misleading and unfair" reporting of slamming.⁴ If slamming is not a problem, why is it receiving nationwide attention? Why are FCC slamming complaints at an all time high? Why has the FCC felt it necessary to recently impose three Notices of Apparent Liability on carriers?

SWBT disagrees with MCI that there is no incentive for Local Exchange Carriers (LECs) to "probe deeply" into customer complaints of slamming. LECs are constantly handling irate customers who want to know why their long distance provider has been changed without their authorization. Often, the end user customer blames SWBT for the unauthorized switch. Thorough investigation of a complaint, resulting in a valid explanation of the situation, can often calm down the most irate customers.

⁴ MCI, p. 5.

However, such investigation is not performed when an IC such as MCI elects to participate in the PIC Switchback option for which MCI was the leading proponent.

IV. CONCLUSION

As explained herein, the Commission should continue to require the IC to obtain a signed LOA. In addition, SWBT strongly agrees with CompTel that the most effective slamming deterrent is the Notice of Apparent Liability, which, as CompTel states, encompasses not only a significant amount of money, but also extremely negative publicity for the offending carrier. Since LECs are unable to assess an effective penalty for slamming, penalties should be imposed by the FCC more often.

Respectfully submitted,

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September 21, 1995